



Dividend Distribution Policy

The Dividend Distribution Policy is formulated in compliance with the Directive No. BSEC/CMRRCD/2021-386/3- dated, 14 January 2021 of Bangladesh Securities and Exchange Commission. This policy approved by the Board of Directors in its 185th Meeting of the held on May 16, 2024 of the Bank.

NRBC Bank shall propose and declare dividend by ensuring compliance with the Regulatory guidelines on dividend declaration and other directives from Bangladesh Bank, Bangladesh Securities and exchange Commission.

The Policy is aimed to lay down the criteria and parameters that are to be considered by the Bank while declaration and distribution of the dividend.

Parameter regarding Consideration for Declaration of Dividend

Board is the steward of Shareholders. In determining dividend payment, Board is taken into consideration of its operating results as well as long-term returns to shareholders. Dividend is paid out of the profit of the Bank. If there is a profit after its annual closing, the Bank first sets aside funds required for provision for investments & others as well as taxes before appropriating 20% of the divisible profit toward its statutory reserve. Dividend payable to the shareholders is recognized as a liability and deducted from the shareholders' equity in the period in which the shareholders' right to receive the dividend is established.

The Board of Directors of the Bank will consider the following internal or external parameters while recommending/declaring dividend:

- ✓ Current financial performance including Bank's NPL ratio
- ✓ Prospective Business Opportunity in Banking Sectors
- ✓ Tract Record of dividend payouts
- ✓ Current & prospective capital adequacy of the Bank (CRAR ratio) including future regulatory requirements for minimum CRAR
- ✓ Tax/Vat implication according to relevant year's Financial Act
- ✓ Consideration of regulatory requirement at the time of dividend declaration

Procedure for Declaration/Recommendation of dividends

Dividend is approved by the Shareholders at an Annual General Meeting (AGM) on the basis of recommendation of the Board of Directors by consideration following:

- All requisite approvals and clearances, where necessary, shall be obtained from concerned authority before the declaration of dividend.
- No dividend shall exceed the amount recommended by the Directors.
- No dividend shall be paid other than out of profits of the year or any other undistributed profits of the Bank.
- No dividend shall be declared out of the capital reserve account or the revaluation reserve account or any unrealized gain or out of profit earned prior to the incorporation of the company, if any, or through reducing paid-up capital or through doing anything so that the post-dividend retained earnings become negative or a debit balance.

Entitlement to dividend

Only the shareholders of the Bank whose names are appeared in the Register of Members and/or Depository Register of the Bank on the record date fixed by the Bank are entitled to the dividend.

Payment of dividend

NRBC Bank shall pay off of the dividend to the entitled shareholders, within 30 (thirty) days from the date of approval by shareholders in AGM.

Cash dividend

Cash dividend shall be distributed in the following manner and procedures, namely:-

- Within 10 (ten) days of declaration of cash dividend by the board of directors, an amount equivalent to the declared cash dividend payable for the concerned year shall be kept in a separate bank account of NRBC, dedicated for this purpose;
- NRBC shall pay off cash dividend directly to the bank account of the entitled shareholder as available in the Beneficiary Owner (BO) account maintained with the

depository participant (DP), or the bank account as provided by the shareholder in paper form, through Bangladesh Electronic Funds Transfer Network (BEFTN):

Provided that NRBC may pay off such cash dividend through bank transfer or any electronic payment system as recognized by the Bangladesh Bank, if not possible to pay off through BEFTN;

- NRBC, upon receiving the claim on cash dividend from a stock broker or a merchant banker or a portfolio manager for the margin client or customer who has debit balance or margin loan, or as per intention of the client of stock broker or merchant banker or portfolio manager, shall pay off such cash dividend to the Consolidated Customers' Bank Account (CCBA) of the stock broker or to the separate bank account of the merchant banker or portfolio manager through BEFTN:

Provided that upon receiving the cash dividend, the stock broker or merchant banker or portfolio manager shall immediately account for such dividend in the individual client's portfolio account:

Provided further that the stock broker or merchant banker or portfolio manager shall provide detailed information (e.g., BO account number, code number, bank account number, intention, etc. of the client or customer including CCBA of stock broker or separate bank account of merchant banker or portfolio manager) to NRBC for such claim;

- NRBC, in case of non-availability of bank account information or not possible to distribute cash dividend through BEFTN or any electronic payment system, shall issue cash dividend warrant and shall send it by post to the shareholder;
- NRBC shall pay off cash dividend to non-resident sponsor, director, shareholder or foreign portfolio investor (FPI) through the security custodian in compliance with the rules or regulations in this regard;
- NRBC, immediately after disbursement of cash dividend and issuance of a certificate of tax deducted at source, if applicable, shall intimate to the shareholder through a short message service (SMS) to the mobile number or email address as provided in the BO account or as provided by the shareholder;
- NRBC shall maintain detailed information of unpaid or unclaimed dividend and rationale thereof, as per BO account number-wise or name-wise or folio number-wise of the shareholder; and shall also disclose the summary of aforesaid information in the annual report and shall also report in the statements of financial position (quarterly/annually) as a separate line item 'Unclaimed Dividend Account':

Provided that NRBC shall publish the year-wise summary of its unpaid or unclaimed dividend in the website:

Provided further that any unpaid or unclaimed cash dividend including accrued interest (after adjustment of bank charge, if any) thereon, if remains, shall be transferred to a separate bank account of NRBC as

maintained for this purpose, within 1 (one) year from the date of declaration or approval or record date, as the case may be.

Stock Dividend:

NRBC shall credit stock dividend directly to the BO account within 30 (thirty) days of declaration or approval or record date subject to clearance of the exchange(s) and the Central Depository Bangladesh Limited (CDBL) by complying the provisions of প্রবিধান ৪৬ ডুভ গ্যব ডিপোজিটরি (ব্যবহারিক) প্রবিধানমালা, for issuance of bonus shares:

Provided that NRBC shall maintain a Suspense BO Account for undistributed or unclaimed stock dividend or bonus shares and shall also follow mentioned procedures for ensuring the rightful ownership:

- NRBC shall send at least 03 (three) reminders to the entitled shareholder;
- The Suspense BO Account shall be held under Block Module and such undistributed or unclaimed stock dividend or bonus shares shall not be transferred in any manner except for the purpose of allotting the bonus shares as and when the allottee approaches to NRBC;
- Provided that any corporate benefit in terms of shares accrued on such undistributed or unclaimed stock dividend or bonus shares shall be credited to the Suspense BO Account.
- NRBC shall, upon receiving application from the allottee and after proper verification of identity and his entitlement, credit the bonus shares lying with the Suspense BO Account to the BO account of the allottee, or issue bonus shares to the allottee, as applicable, within 15 (fifteen) days of receiving application with an intimation to the BSEC and the exchange(s);
- Any voting rights on such undistributed or unclaimed stock dividend or bonus shares shall remain suspended till the rightful ownership claim of the shareholder is established.

Unpaid or Unclaimed Dividend

NRBC shall not forfeit any unclaimed cash dividend or stock dividend till the claim becomes barred by the law of land in force. NRBC shall follow the rules & regulations of the regulators issued from time to time regarding payment of unclaimed or unpaid cash dividend and stock dividend to the entitled shareholders.

Review

The policy would be reviewed as and when the need arises. Amendments (if any) would be approved by the Board.

Disclosure

The policy will be available on the Bank's website and will also be disclosed in the Bank's Annual Report.